MARKETBEAT

BOISE

MULTIFAMILY Q4 2024



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
12.3% Vacancy Rate	▲	▼
445 Net Absorption, units	▲	▼
$1,620 Effective Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
411.6K Boise Employment	▲	▲
3.6% Boise Unemployment Rate	▲	▼
4.0% Boise Household Growth Rate	▲	▲

Source: BLS

ECONOMY: EXPLOSIVE GROWTH CONTINUES

Boise and the Treasure Valley continued to exhibit an impressive economic performance in the fourth quarter of 2024. Boise secured the top spot nationwide for annual population growth, boasting a robust 3.7% increase with further growth projected. Boise's economy was very strong, real gross product grew 200 basis points (bps) to 5.9% year-over-year (YOY), new nonfarm jobs grew 149.2% to 16,200 YOY, and nonfarm jobs climbed 4.1% to 411,600 YOY with further growth projected. Healthcare employment levels surged 8.1% YOY to 58,700 with further growth expected and new healthcare jobs rose by an impressive 125% YOY to 4,500. The median household income in Boise swelled 2.7% YOY to $90,600, with expectations of continued growth. Boise's unemployment rate experienced a 30 bps jump YOY, reaching 3.6%, placing it among the 10th lowest rates nationwide. By comparison, the U.S. reported a 1.0% population growth, a real gross product of 2.1%, a 27.6% YOY decrease in new nonfarm jobs, a median household income of $83,700, and an unemployment rate of 4.2%.

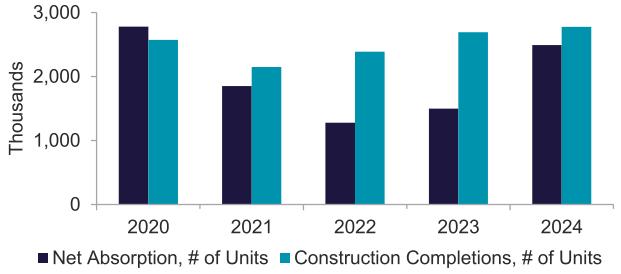
SUPPLY & DEMAND: RECORD LEVELS

Demand in the Boise market, which has been playing catch-up with supply since Q2 2021, achieved stability in Q4 2024. Stabilized vacancy, which had been increasing by an average of 43 basis points per quarter since Q2 2021, saw a modest rise of 6 basis points quarter-over-quarter (QOQ) to 7.9%. The year 2024 was exceptional for deliveries and absorption, with a record-breaking 2,777 units delivered and 2,492 units absorbed, nearly surpassing the record absorption of 2020. With fewer projects scheduled for early to late 2025, quarterly deliveries are expected to decline. To address the high demand and decreasing vacancy rates, several projects in downtown Boise are planned to add 600 units by Spring 2025.

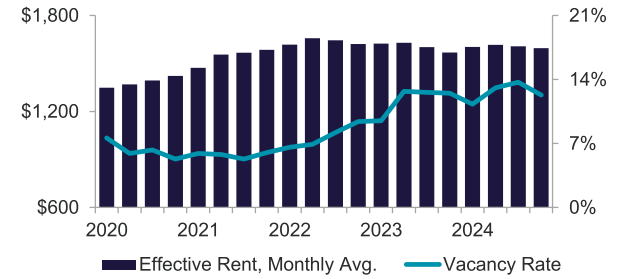
PRICING: CROSSROADS

After peaking in Q2 2022 at $1,658, the effective rent per unit fell 0.7% QOQ but climbed 1.7% YOY to $1,596 per unit. After peaking last year at 2.1%, rent concessions fell 60 bps YOY to 1.5%. In contrast to rent stability exhibited over the previous three years, we expect rents to climb into the foreseeable future.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



Source: Costar

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BOISE
MULTIFAMILY Q4 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Caldwell	1,429	316	0.0%	419	332	18.5%	-670	$1,503	$1.57	-0.6%
Downtown Boise	1,828	0	14.3%	599	26	7.4%	-140	$1,865	$2.72	2.1%
Meridian	10,481	1,584	17.8%	350	1,072	18.3%	250	$1,657	$1.63	1.6%
Nampa	4,384	227	5.4%	264	351	10.6%	-350	$1,484	$1.43	1.4%
North Boise	4,867	238	5.1%	70	375	9.1%	-340	$1,654	$1.76	4.1%
Outlying Ada County	1,514	287	23.4%	138	209	21.4%	140	$1,758	$1.76	0.5%
South Boise	8,922	125	1.4%	0	125	6.4%	10	$1,495	$1.67	1.1%
MARKET	**33,425**	**2,777**	**9.0%**	**1,840**	**2,491**	**12.3%**	**20**	**$1,596**	**$1.68**	**1.7%**

All statistics are based on properties containing 50+ units.
Source: Costar

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER / BUYER	UNITS	PRICE / $ UNIT
Ridgecrest Commons	Nampa	Life Bridge Capital / Blue Field Capital	172	Inquire
Verraso Village	Meridian	Roundhouse / MJW Investments	96	Inquire
Vista Terrace Apartments	Central Bench	Stephen Topol / Guide Property Services	32	Inquire
Overland Heights	Central Bench	Core Building Company / Andrew Slenders	15	Inquire
1301 Blaine St	Caldwell	Loraine Burns-navis / 1301 Blaine St LLC	8	Inquire

MARKET DRIVERS

- Due to rapid absorption and a limited development pipeline, rents may increase towards the end of 2025.
- Recent and projected interest rate cuts in 2025 may lower borrowing costs enough for investors to resume financing new acquisitions.
- Population growth remains the highest in the nation and is expected to continue rising, driving increased demand.
- Federal funds target rate forecasted to ease by 50 basis points throughout 2025. The Federal Reserve's funds target rate is now set at 4.25% to 4.5%.

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